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March 8, 2001

The Honorable George W. Bush
President of the United States
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President

I am writing to encourage you to fully fund the supplemental health coverage for Medicare-eligible military retirees and other important healthcare improvements such as the retiree prescription drug program authorized by Congress in PL 106-398 when you transmit your budget proposal to Congress.

As a member of the House Armed Services Subcommittee on Military Personnel, veterans' health issues are very important to me. During floor debate on HR 4205, the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001, PL 106-398, I worked closely with my colleagues on the Military Personnel Subcommittee to push an amendment forward to expand the current TRICARE Senior Prime demonstration program nationwide and make the program a permanent part of the military healthcare system. The TRICARE Senior Prime demonstration is also commonly referred to as "Medicare subvention." Under the amendment approved by the House, the Department of Defense will be able to enroll its Medicare-eligible retirees into the Department's TRICARE Prime program and then the Department will receive Medicare reimbursement. Medicare-eligible military retirees will have comprehensive health care services at a lower cost than Medicare, and enrollees will have better access to care in military treatment facilities.

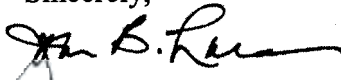
The bill also included a provision that will extend prescription drug coverage to all military retirees over the age of 65, and extend the FEHBP demonstration program until December 31, 2003. Specifically, H.R. 4205 will allow retirees to access mail-order prescription drugs, and enable them to purchase prescription drugs at pharmacies using both the TRICARE network and out-of-network pharmacies. The bill extended coverage under the new TRICARE Senior Pharmacy Program to 800,000 retirees currently unable to participate in the DOD pharmacy benefit program because of where they live. The program will be administered by the Defense Department, and the prices for the drugs will be negotiated by the Defense Supply Center in Philadelphia (DSCP), a government agency. The DSCP will negotiate price discounts for military retirees that are as good as or better than prices obtained by other federal agencies.

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The men and women of the armed services who made this nation the world's preeminent military, economic, social, and cultural leader deserve the highest quality healthcare that we can provide for them. I encourage you to include full funding in your budget proposal for the healthcare programs enacted in the FY01 National Defense Authorization Act without requiring cutbacks to existing essential defense programs such as readiness upgrades and quality-of-life improvements.

Thank you for your attention to this matter of great importance. With best regards, I remain

Sincerely,



JOHN B. LARSON
Member of Congress

JL/bmm